



# AD PUNCTUM

## News in review -- 1<sup>st</sup> May to 7<sup>th</sup> May

News is arranged by company and topic. Stories that apply to more than one company or topic are duplicated.

### Company-by-company rundown

#### BMW

- Reported Q1 2017 detailed financial results. Unit deliveries were 587,237 units, up 5.3% year-over-year. Group revenue of €23.5 billion was up 12.4% YoY. Group profit before tax of €3.0 billion was up almost 27% YoY, largely due to the gain on sale and revaluation of BMW's HERE stake and increased profits in China. ([More...](#))
- Said that its plant in Dingolfing would produce the BMW iNEXT from 2021 and said that it was working on manufacturing processes that would allow ICE-only, hybrid and full-BEV products to be built on the same facilities. BMW re-iterated that it expects 15% - 25% of its sales to be from electrified vehicles by 2025 (this figure includes hybrid and full BEVs) ([More...](#))
- Saw media reporting on its efforts at culture change. BMW is running a program that attempts to convince employees that electrification and autonomous driving are key trends for the future and will cause substantial changes in the way that the company works (story was from last week but not included in that review). ([More...](#))
- Received coverage for its efforts to improve the user experience of car-sharing and reduce the time it takes to access a vehicle. ([More...](#))
- Said that it has made adequate risk provisions for a fall in residual car values and was “well protected”. ([More...](#))

#### Daimler

- Daimler's Moovel app launched a service in collaboration with Karlsruhe Transport Authority KVV (a city in Germany) to offer information on various types of transport solution (trains, trams, bikes etc). Moovel said that it was aiming to offer a “white label solution” for transport operators. ([More...](#))

#### FCA

- Said that sales fell year-over-year in the USA in April. ([More...](#))

#### Ferrari

- Reported Q1 2017 results. Shipments of 2,003 units (up 6.4% year-over-year). Net revenue of €821 million (up 20.4% YoY). Adjusted EBIT of €177 million (up 46%). ([More...](#))
- Said that it could produce and sell more than 10,000 cars annually. ([More...](#))

#### Ford

- Said that April US sales of 214,695 vehicles were down 7.2% year-over-year. ([More...](#))
- Said that it was temporarily laying off 130 workers at its Ohio plant due to slowing demand for trucks. ([More...](#))

## Geely (includes Volvo)

- London Taxis International are celebrating the final production of TX4 models. These are intended to be the company's final diesel powered cars and in future the range will be 100% electrified (initially using gasoline hybrids). ([More...](#))
- Volvo reported April sales of 46,895 cars, an increase of 10.5% year-over-year. ([More...](#))

## General Motors (includes Opel / Vauxhall)

- Said that April sales in the USA fell by almost 6% year-over-year. ([More...](#))
- Announced the deconsolidation of its Venezuelan business due to the seizure of its plant and said that it expected this to result in a charge of "up to approximately \$100 million". ([More...](#))
- Made a further statement about the proposal from Greenlight to split its stock into different categories saying that it was still not in favour (Greenlight had accused GM of not being objective and subsequently sent a letter to GM's shareholders saying that their proposal would improve the stock price, which could be very important in the future). ([More...](#))
- Opel confirmed that the next-generation Corsa is being designed on the PSA B-Car platform. This could allow the vehicle to be built in several factories if necessary. ([More...](#))
- Announced a new program called Maven Gig. The idea is for drivers to rent cars that will allow them to carry out delivery services such as for packages or food. Maven has relationships with GrubHub (food delivery) and Instacart (groceries) amongst others. ([More...](#))

## Honda

- Saw a fall in April US sales of 7% year-over-year. ([More...](#))

## Hyundai / Kia

- Said that April sales in the USA were 1% up year-over-year ([More...](#))

## Mazda

- Saw a 7.8% year-over-year drop in US sales in April. ([More...](#))

## Nissan

- Saw a 1.5% year-over-year drop in US sales in April. ([More...](#))
- Launched a pilot project in Italy with Enel Energi and IIT for vehicle to grid technology that allows electric cars that have been parked and plugged in to supply energy to the grid at times of high demand. ([More...](#))

## PSA (excludes Opel/Vauxhall)

- Opel confirmed that the next-generation Corsa is being designed on the PSA B-Car platform. This could allow the vehicle to be built in several factories if necessary. ([More...](#))
- Said that it will form a strategic partnership with nuTonomy to test autonomous vehicles in Singapore. nuTonomy already has a test program running in the city state, thus far using Renault Zoe vehicles. The program with PSA will use Peugeot 3008 SUVs and aims to launch by September. ([More...](#))
- Received media coverage of its attempts to improve the dealer experience for customers and make the sales process feel more modern. ([More...](#))
- Faurecia and ZF announced a strategic partnership for interior and safety technologies. The collaboration will involve no capital exchange and supports Faurecia's "cockpit of the future" strategy. ([More...](#))
- PSA will invest €144 million in its Madrid plant to build a new model from 2020 and produce at least 100,000 units per year. The vehicle was not named but will be on the CMP platform and will guarantee the plant's future to 2025. As one of PSA's smallest plants, it had looked as though Madrid was at risk following the Opel merger. ([More...](#))
- Launched a project called "GridMotion" with the Technical University of Denmark to evaluate real world savings from vehicle to grid technologies, in particular varying the time of day that the vehicle charges and discharges. ([More...](#))

## Renault

- Held an autonomous vehicle drive event where it told journalists that it would like to launch a (limited) public service in 2020. ([More...](#))
- Carlos Ghosn said that Renault's aim was to realise an operating margin of around 7% in 2022. ([More...](#))

## Tata (includes JLR)

- JLR CEO Ralph Speth gave an interview where he defended modern diesel engines. ([More...](#))

## Tesla

- Reported Q1 2017 detailed financial results. Automotive revenue of \$2.289 billion was up 123% YoY. Automotive gross margin was 27.4%, The business (including the newly consolidated Solar City) made a net loss of \$(397) million. Give an update on Model 3 saying it hoped to be producing 5,000 per week “ at some point in 2017” and have increased production to 10,000 units per week at “some point in 2018” ([More...](#))
- Media reported on the importance of a \$360 per share level for Tesla -- it would able the company to swap debt for equity. ([More...](#))
- Saw concerns over customer deposits dropping quarter-over-quarter. ([More...](#))
- Elon Musk said that the Model Y would be launched in either late 2019 or 2020 and use a different platform and more automated production line than the Model 3. ([More...](#)), he also said that he believes level 5 autonomy will be a reality within the next two years. ([More...](#))
- Two Tesla executives have been listed as officers at Redwood materials, a recycling company, amid speculation that Tesla had taken a stake in the firm. ([More...](#))
- Tesla owner forums revealed that Tesla have programmed car electronics so that once they have undergone a high number of supercharger hours (superchargers are rated at around 135 kW), the charge rate is permanently capped. In a widely-used example, a vehicle had its charge rate capped at 90 kW, which Tesla technicians told the owner was in order to protect the battery. ([More...](#))
- Updated owner terms and conditions to allow data sharing of “short video clips” in order to improve autonomous driving technology. Tesla said it would store the data in such a way it was impossible to know which car it was from. ([More...](#))
- Media reported on the importance of a \$360 per share level for Tesla -- it would able the company to swap debt for equity. ([More...](#))
- Saw concerns over customer deposits dropping quarter-over-quarter. ([More...](#))

## Toyota

- Toyota's North America CEO, Jim Lentz, said that OEMs in the US were continuing to push sales on the basis that a \$1 trillion stimulus program supported by the Trump administration would “add 800,000 units” if approved. ([More...](#)). He also said that NAFTA should not be rescinded, but could perhaps be improved. ([More...](#))
- Reported that its US sales in April were down 4.4% year-over-year. ([More...](#))
- Said that has invested \$154 million in its Michigan, USA operations in the last two years. ([More...](#))

## VW Group

- Reported Q1 2017 detailed financial results. Deliveries of 2.495 million units were down 0.5% year-over-year. Group revenue of €56.2 billion was up 10.3% YoY. Group operating profit (excluding special items) of €4.4 billion was up almost 40% YoY. ([More...](#))
- Volkswagen brand held a brand update day showing progress on product launch and footprint realignment. Part of the materials showed a more detailed cost reduction plan: 7.5% productivity improvement in 2017, 7.5% in 2018 and then 5% in 2019 and 2020. ([More...](#))
- Signed an agreement with operators of compressed natural gas (CNG) filling stations announcing their commitment to the “extension of CNG mobility”. ([More...](#))

- Increased incentives in the USA to try and sell 2015MY diesel stock (vehicles that are still brand new but had to be held for sale whilst they were repaired). Some vehicles are now available with 72 months interest free and a \$5,000 discount. ([More...](#))

## Other

- Chinese company Beijing WKW (part owned by German firm WKW Erbsloh Automotive GmbH said it would invest up to €1.13 billion to build an electric car factory in Lower Saxony, Germany. Analysts were sceptical of the company's ability to fund and operate such a venture. ([More...](#))
- Subaru reported that its US sales in April were up 4% year-over-year. ([More...](#))
- Mahindra and Mahindra has stopped selling its e1o electric car in the UK due to low sales, according to a Reuters report. ([More...](#))

## And now for the other news...

### Economic / Political News

- German vehicle sales in April 2017 were 341,385 units (down 9.7% year-over-year), of which 290,697 cars (down 8.0% year-over-year). Year to date total sales are 1.320 million units (up 1.6%), of which 1.135 million are cars (up 2.5%) ([More...](#))
- UK car sales in April 2017 were down 19.8% year-over-year. Some of this was due to reduced selling days and possible pull-forward of sales into March ahead of taxation changes. On a year-to-date basis, sales are up 1.1%. ([More...](#)) LCV sales also fell in April (18.8%) and are down on a year-to-date basis (4.9%). ([More...](#))
- US manufacturers saw lower sales and analysts questioning whether the US market will plateau or fall. ([More...](#))
- Spanish car sales for April were up 1.1% year-over-year to 101,375 units. Year-to-date sales of 409,286 units are up 6.1%. ([More...](#))
- Brazilian vehicle sales for April were down 17% year-over-year. ([More...](#))

### Suppliers

- Magna announced the creation of a Technology Advisory Council, lead by its Chief Technology Officer to help "accelerate the execution of Magna's technology and business objectives". Council members include Tony Fadell (iPod/iPhone "inventor" and founder of Nest) and Paul Mascarenasis (ex-Chief Technical Officer at Ford). ([More...](#))
- Faurecia and ZF announced a strategic partnership for interior and safety technologies. The collaboration will involve no capital exchange and supports Faurecia's "cockpit of the future" strategy. ([More...](#))
- Bosch has sold its starters and generators business (7,000 employees) for around €500 million to Chinese supplier ZMJ. ([More...](#))
- Bosch's CEO said that politicians should stop demonising diesel technology and that whilst politicians were right to demand stricter emission limits they should be neutral on the technology choices. ([More...](#))
- Prevent group said that it has no plans to make a full takeover bid for Grammer (in which it owns a substantial minority stake). Grammer's management has been openly complaining about Prevent's stake and says that it is losing business as a consequence (a dispute between VW and Prevent last year cost several days of production). ([More...](#))
- Profits at engine maker Cummins were up 23.4% to \$396 million in Q1 2017. The company also raised full year forecasts. ([More...](#))
- Dana reported Q1 2017 results. Revenue of \$1.7 billion was up 17% year-over-year. Adjusted EBITDA of \$205 million was up 19% YoY. ([More...](#))
- Delphi reported Q1 2017 results. Revenue of \$4.3 billion was up 9% year-over-year. Adjusted Operating Income of \$537 million was up 4% YoY. ([More...](#)). They also announced that they would spin off the powertrain division into an independently listed company. ([More...](#))

## Ride-Hailing & Car Sharing

- Avis Budget noted that it was selling more used vehicles to ride hailing drivers. ([More...](#))
- BMW received coverage for its efforts to improve the user experience of car-sharing and reduce the time it takes to access a vehicle. ([More...](#))

## Driverless / Autonomy

- PSA said that it will form a strategic partnership with nuTonomy to test autonomous vehicles in Singapore. nuTonomy already has a test program running in the city state, thus far using Renault Zoe vehicles. The program with PSA will use Peugeot 3008 SUVs and aims to launch by September. ([More...](#))
- Mapillary, a Swedish start-up, released a free dataset of street level images to help train driverless vehicle artificial intelligence. ([More...](#))
- MobilEye told Reuters that the company's maps did not need to wait for fully autonomous cars to generate revenue and would make money from SAE Level 2 and 3 systems using the technology. ([More...](#))
- Samsung gained approval to begin testing driverless cars in South Korea. ([More...](#))
- CEO Elon Musk said that he believes level 5 autonomy will be a reality within the next two years. ([More...](#))
- Busmaker Proterra said that it was working on a self-driving electric bus program in Nevada. ([More...](#))
- Self-driving start-up Renovo had a \$10 million funding round which included Verizon. ([More...](#))
- Tesla updated owner terms and conditions to allow data sharing of "short video clips" in order to improve autonomous driving technology. Tesla said it would store the data in such a way it was impossible to know which car it was from. ([More...](#))

## Electrification

- BMW Said that its plant in Dingolfing would produce the BMW iNEXT from 2021 and re-iterated that it expects 15% - 25% of its sales to be from electrified vehicles by 2025 (this figure includes hybrid and full BEVs) ([More...](#))
- Chinese company Beijing WKW (part owned by German firm WKW Erbsloh Automotive GmbH said it would invest up to €1.13 billion to build an electric car factory in Lower Saxony, Germany. Analysts were sceptical of the company's ability to fund and operate such a venture. ([More...](#))
- Mahindra and Mahindra has stopped selling its e10 electric car in the UK due to low sales, according to a Reuters report. ([More...](#))
- Nissan launched a pilot project in Italy with Enel Energi and IIT for vehicle to grid technology that allows electric cars that have been parked and plugged in to supply energy to the grid at times of high demand. ([More...](#))
- PSA launched a project called "GridMotion" with the Technical University of Denmark to evaluate real world savings from vehicle to grid technologies, in particular varying the time of day that the vehicle charges and discharges. ([More...](#))

## Other

- Hamburg has become the first German city to enforce a diesel ban. The ban is not city-wide, it forbids Euro 5 and older vehicles from driving on some key roads. ([More...](#))